



DEPARTMENT OF THE ARMY
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT
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WASHINGTON, DC 20310-0600

JAN 4 2012

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**MEMORANDUM FOR OFFICE OF THE ASSISTANT CHIEF OF STAFF FOR
INSTALLATION MANAGEMENT (OACSIM) PERSONNEL**

SUBJECT: Policy Memorandum 12: OACSIM Audit Coordination

1. References.

a. Department of Defense Directive 7650.2, Government Accountability Office (GAO) Reviews and Reports, 20 November 2006.

b. Army Regulation 36-2, Audit Services in the Department of the Army, 19 September 2007.

c. Army Regulation 11-7, Internal Review Program, 26 October 2007.

2. Purpose. To implement policy and procedures for coordinating and monitoring audit activity within OACSIM. This policy memorandum supersedes OACSIM Policy Memorandum 12, OACSIM Audit Coordination, dated 18 Jun 10.

3. Background. References 1a., 1b., and 1c. prescribe policy and guidance for internal audit and attestation engagements conducted in the Department of Army and for responding to audits, reviews, and attestation engagements performed by U.S. Army Audit Agency (USAAA), GAO, and the Office of the Department of Defense Inspector General (ODODIG). These regulations state Army activities will assign individuals to provide assistance to external auditors, coordinate audit activity within their organization, and assist in the reply process for audit reports. Additionally, these individuals will monitor the status of corrective actions taken by their organization to implement audit recommendations and provide updated information on target implementation dates, implementation status, and monetary benefits realized.

4. Scope. This policy applies to all OACSIM personnel.

5. Policy. This document formalizes procedures and responsibilities for responding to tasks relating to GAO, ODODIG, and USAAA reviews and audits, and for tracking the implementation status of agreed-to recommendations in audit reports. The Resources Directorate, Financial Management Division (DAIM-RDF) is the central audit coordination office for OACSIM.

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6. Responsibilities. The enclosure outlines the audit staffing process.

a. DAIM-RDF will:

(1) Act as the primary point of contact for all audit matters and serve as the liaison between OACSIM, other Army organizations, USAAA, ODODIG, and GAO on all audit-related issues.

(2) Execute audit task management as follows:

(a) Receive audit announcements, coordination requests, audit reports, and other audit-related requests pertaining to OACSIM.

(b) Analyze all incoming audit tasks and assign them to responsible directorates through OACSIM's Staff Action Control Office (SACO).

(c) Coordinate with OACSIM's SACO to establish internal suspenses within OACSIM and other Army organizations for audit tasks, and coordinate extensions when requested by tasked organizations.

(d) Track and follow up on all audit tasks.

(e) Coordinate with internal review (IR) personnel from various Army organizations, as appropriate, to ensure OACSIM receives input to respond to audit tasks.

(f) Coordinate with external audit organizations to assist and support directorates and divisions on the interpretation of requirements for audit tasks outlined in AR 36-2.

(g) For audits addressing overarching Army issues in the installation management disciplines, provide advice and support to directorates and divisions on required coordination with other Army organizations.

(h) Coordinate and review OACSIM's response to audit tasks to ensure timely and accurate replies and compliance with the command-reply process contained in AR 36-2.

(i) Coordinate with GAO, ODODIG, and USAAA to resolve audit-related disagreements. For USAAA draft reports, DAIM-RDF serves as the primary point of contact for coordinating the mediation and adjudication process when disagreements with draft reports are not resolved through informal meetings.

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(3) Track the status of unimplemented recommendations as follows:

(a) Query USAAA's AAAsist database and coordinate with ODODIG's Follow-up Office to periodically obtain a list of unimplemented recommendations addressed to OACSIM.

(b) Coordinate with OACSIM Directorates on a bi-monthly basis to obtain the current status for implementing agreed-to recommendations.

(c) Coordinate with the various audit organizations on an as needed basis to provide updated implementation status and revised target implementation dates for recommendations addressed to OACSIM.

(d) Provide the ACSIM/DACSIM with a bi-monthly status report on OACSIM's progress in implementing agreed-to recommendations.

(4) Facilitate and coordinate the scheduling of entrance and exit conferences and similar engagements for audit-related actions involving multiple directorates and organizations.

(5) Inform OACSIM leadership early in the process of potential audit-related issues.

(6) Provide periodic status reports to USAAA on audit tasks assigned to OACSIM.

b. OACSIM Directorates will:

(1) Recommend the division and subject matter expert (SME) that can accurately respond to an audit task, and immediately notify DAIM-RDF and SACO of the SME assigned to respond to a task. Notify DAIM-RDF immediately if the task should be worked in coordination with or reassigned to another Army organization.

(2) Identify problems (lack of information, supporting detail, etc.) and, when needed, immediately request suspense extensions through DAIM-RDF.

(3) Research and respond to tasks within their area of responsibility and expertise in a timely manner.

(4) Ensure external coordination is accomplished and properly documented in accordance with paragraph 6.a.(2)(h) above. Prior to obtaining the ACSIM's signature, confirm external coordination agencies or commands with DAIM-RDF.

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(5) Submit responses to audit tasks through DAIM-RDF for final review prior to obtaining the ACSIM's signature and forwarding them to the responsible audit organization.

(6) Provide DAIM-RDF with the current status and target dates for unimplemented recommendations.

(7) Notify DAIM-RDF when responsible personnel have completed corrective actions needed to fully implement a recommendation.

(8) Maintain documentation supporting corrective actions taken and monetary benefits achieved for 3 years after implementation of a recommendation as required in AR 36-2.

7. Command-reply process for audit reports. The command-reply process for audit reports, as documented in AR 36-2, enables OACSIM to present its position on findings, conclusions, recommendations, and potential monetary benefits and provides procedures for resolving disagreements. The ACSIM is the sole signature authority for responses to audit reports containing recommendations addressed to OACSIM or recommendations for which OACSIM is responsible for providing the official Army position (OAP).

a. Command-reply process for USAAA reports.

(1) When responding to audit reports containing recommendations addressed to OACSIM, responsible personnel must explicitly concur or nonconcur with the findings, conclusions, recommendations and, if applicable, corrective actions taken during the audit and potential monetary benefits. The response must contain a corrective action plan and target implementation dates for agreed-to recommendations, and provide justification and interim target implementation dates for corrective actions that will take 12 months or more to complete. Responsible personnel can propose alternative actions to implement recommendations, but must clearly state the completion dates for those actions in the proposal.

(2) OACSIM is the HQDA principal organization responsible for providing OAP on the majority of USAAA reports containing recommendations addressed to IMCOM and its subordinate activities. In accordance with AR 36-2, each IMCOM activity to whom USAAA addresses an audit report, recommendations, or potential monetary benefits will prepare an official reply within 30 calendar days from the date they receive the draft report. Once the IMCOM activities have finalized their response, OACSIM will have 30 calendar days, in conjunction with IMCOM Headquarters, to review the response, along with the draft report, and include overall command comments and OAP before forwarding it to the front office for the ACSIM's signature.

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(3) OACSIM and USAAA will make every effort to resolve disagreements with audit reports through informal meetings involving directorate and division-level SMEs and representatives from other Army organizations as needed. If the informal meetings are unsuccessful, USAAA will proceed to the formal mediation and adjudication process described in AR 36-2.

(a) The USAAA Audit Coordination and Follow-up Office (AAA ACFO) is responsible for mediating disagreements with audit reports between OACSIM and USAAA. If mediation is successful, the AAA ACFO will prepare a memorandum, signed by appropriate USAAA and OACSIM representatives, documenting the agreements reached and establishing OAP for the disputed issues in the report.

(b) If disagreements aren't resolved through mediation, the AAA ACFO will process the report to the Under Secretary of the Army (USA) or the Vice Chief of Staff, Army (VCSA), as appropriate, for adjudication. OACSIM and USAAA will prepare information papers for and meet with the USA or VCSA to present their positions regarding the disputed issues in the report. Based on the information provided, the USA or VCSA will resolve the disagreement.

b. Command-reply process for reports from external audit organizations. The command-reply process for reports from external audit organizations, such as GAO and ODODIG, is somewhat different from the command-reply process for USAAA reports. External audit organizations usually conduct DOD-wide audits and request a consolidated DOD response to their reports. The DOD organization responsible for preparing the consolidated response will usually accept verbal or email comments from the various service organizations, such as OACSIM, and not require a formally signed response. The mediation and adjudication process for resolving disagreements with audit reports is similar; however, ODODIG will facilitate the process for audit reports issued by external audit organizations. Additionally, the Deputy Secretary of Defense will be the final adjudication authority for all disagreements that can't be resolved through mediation.

8. POC for this policy is Ms. Jean Danckaert, DAIM-RDF, (571) 256-1159, or E-mail: jean.danckaert@us.army.mil.

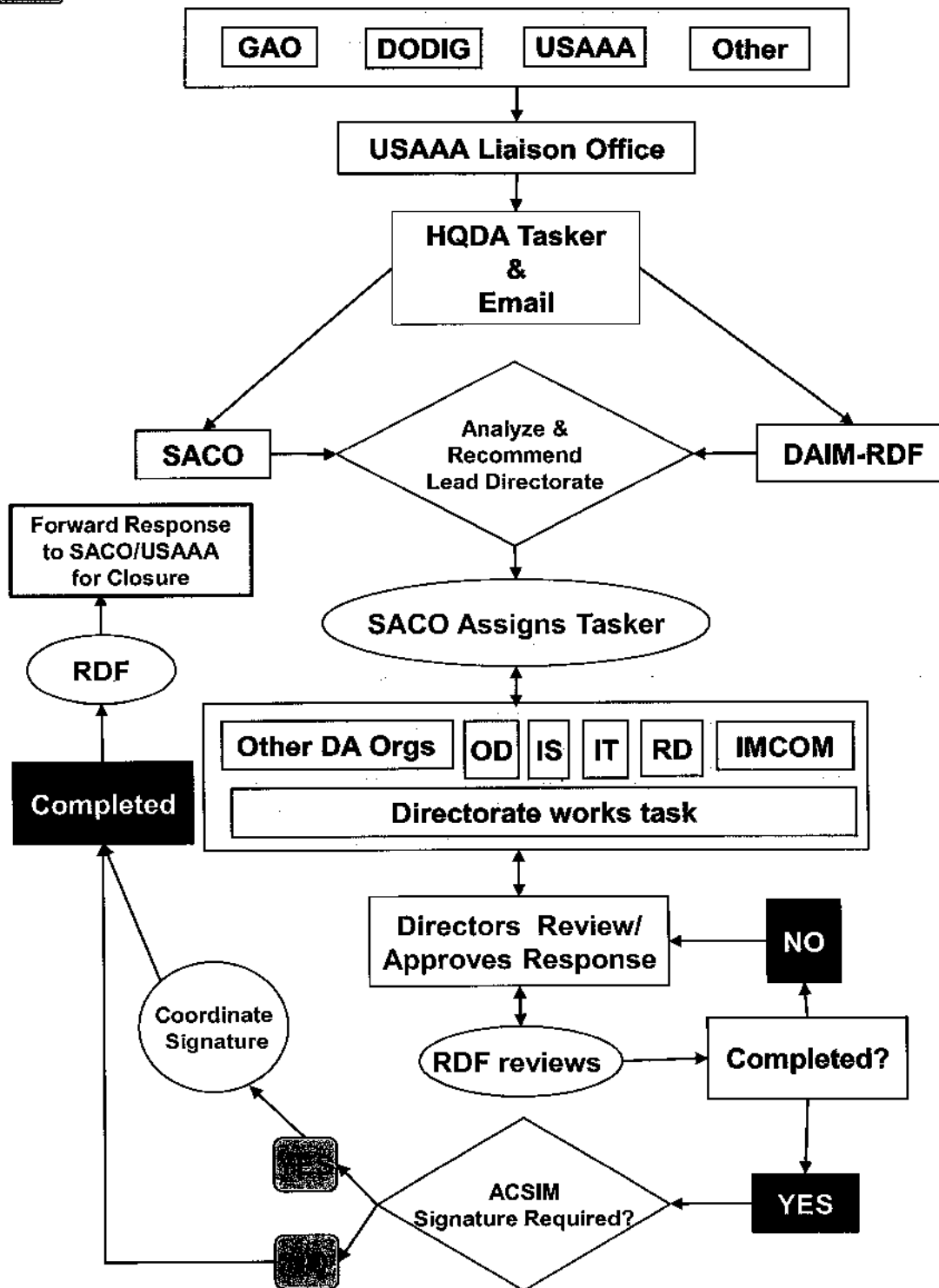
Encl



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Audit Staffing Process



Asst. Dir. of Staff for Installation Management